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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

JAY RALSTON, individually and on behalf of
all others similarly situated,

Plaintiff,

v.

MORTGAGE INVESTORS GROUP, INC.,
MORTGAGE INVESTORS GROUP, a
general partnership, COUNTRYWIDE
HOME LOANS, INC. AND DOES 3-10,

Defendants.

Case No.: CV-08-00536-JF (PSG)

CLASS ACTION

**DECLARATION OF JESSICA MOY
IN SUPPORT OF PLAINTIFF'S
MOTION FOR CLASS CERTIFICATION**

Judge: Hon. Jeremy Fogel

Date: July 29, 2011

Time: 9:00 a.m.

Courtroom: 3 – 5th Floor

PUBLICLY-FILED REDACTED VERSION

1 I, Jessica Moy, do hereby declare and state as follows:

2 1. I am an associate at law in the law firm of Andrus Anderson LLP. I am duly admitted
3 to practice before the courts of the State of California, including the United States District Court for
4 the Northern District of California. I am an attorney of record for Plaintiff in the above-captioned
5 matter. I make this declaration based on my personal knowledge of the facts contained herein and if
6 called as a witness I could and would competently testify thereto.

7 2. Attached hereto as Exhibit A is a true and correct copy of Defendant Countrywide
8 Home Loans, Inc.'s ("Countrywide") Supplemental Objections and Responses to Plaintiff's
9 Interrogatory Numbers 1 and 2.

10 3. Attached hereto as Exhibit B is a true and correct copy of the Table of Contents for
11 Countrywide's Seller's Guide ("Seller's Guide").

12 4. Attached hereto as Exhibit C are true and correct copies of excerpts from a version of
13 Countrywide's Seller's Guide, which was in circulation during or around June 2005.

14 5. Attached hereto as Exhibit D is a true and correct copy of excerpts of the Deposition
15 Transcript of Jessica Kannya.

16 6. Attached hereto as Exhibit E is a true and correct copy of excerpts of the Deposition
17 Transcript of Michael B. Quinn.

18 7. Attached hereto as Exhibit F is a true and correct copy of excerpts of the Deposition
19 Transcript of Blair Kenny.

20 8. Attached hereto as Exhibit G is a true and correct copy of excerpts of a Countrywide
21 Seller's Guide Bulletin, dated December 19, 2005.

22 9. Attached hereto as Exhibit H is a true and correct copy of Countrywide's
23 "Instructions for Completing PayOption ARM Note."

24 10. Attached hereto as Exhibit I are true and correct copies of the multistate versions of
25 Countrywide's Pay Option ARM Notes.

26 11. There are five multi-state versions of the Pay Option ARM Notes ("Notes") at issue
27 in this case: Note Forms 4720, 4271, 5310, 5311, 5312. (See Exhibit I). Note Forms 4720 and 4721
28 are the same, except for their language regarding prepayment penalties. Note Forms 5310, 5311 and

5312 are the same, except they have some index-specific language (the LIBOR, COFI, and MTA indices, respectively). In addition to the multi-state versions, the Note Forms have certain state-specific versions for Alaska, Florida, Louisiana, New Hampshire, Oregon, Virginia, Vermont, Wisconsin, and West Virginia. I have reviewed the state-specific versions of the Notes. The state-specific versions are nearly identical to the multi-state Note versions. The language in the Notes at issue in this case is identical for each state-specific version and multi-state versions of each Note. The Notes also have up to five control dates. According to testimony in this case, these control dates are identified by numbers in parenthesis after the Note number, e.g., (0511) indicates the control date is November 2005. *See Exhibit E* at 139:13-140:18. I have reviewed all control date versions for each Note. The control date versions are virtually identical, if not identical, to one another. The language in the Notes at issue in this case is identical for each control date version of the Note.

12. Attached hereto as Exhibit J is a true and correct copy of the Expert Report of Jonathan R. Macey.

13. I have highlighted relevant excerpts of Countrywide Home Loans – Prospectus Supplement to Prospectus. Attached hereto as Exhibit K is a true and correct copy of the highlighted excerpts of the Countrywide Home Loans – Prospectus Supplement to Prospectus dated November 14, 2006.

14. Attached hereto as Exhibit L are true and correct copies of multistate versions of Countrywide Adjustable Rate Riders.

15. There are three multi-state versions of Adjustable Rate Riders (“Riders”) at issue in this case: Rider Forms: 5313, 5314, and 5315. (*See Exhibit L*). These Rider forms are the same, except they have some index-specific language (the LIBOR, COFI, and MTA indices, respectively). In addition to the multi-state versions, the Rider Forms have a state-specific version for New York. I have reviewed the state-specific New York versions of the Note. The state-specific New York version is nearly identical to the multi-state Note versions. The language in the Notes at issue in this case is identical for the New York state-specific version and multi-state versions of each Rider. The Riders also have up to two control dates. I have reviewed all control date versions for each Rider.

1 The control date versions are virtually identical, if not identical, to one another. The language in the
2 Riders at issue in this case is identical for each control date version of the Rider.

3 16. A review of the Loan Purchase Agreements that Countrywide produced reveals that
4 all of the LPA versions contractually required the Correspondent Lenders to adhere to and fully
5 comply with the requirements in the Seller's Guide when originating loans. Attached hereto as
6 Exhibit M is a true and correct copy of a sampling of LPA versions from 1994 through 2011 that
7 Countrywide entered into with Correspondent Lenders.

8 17. Attached hereto as Exhibit N is a true and correct copy of excerpts of the Deposition
9 Transcript of Brad Hodgins.

10 18. Attached hereto as Exhibit O is a true and correct copy of Chapter 11.7 of
11 Countrywide's Seller's Guide.

12 19. Attached hereto as Exhibit P are true and correct copies of multistate versions of
13 Countrywide's Pay Option ARM Loan Program Disclosures.

14 20. There are three Adjustable Rate Mortgage Pay Option ARM Loan Program
15 Disclosures ("Program Disclosures") at issue in this case: 4273, 4274, and 4275. (*See* Exhibit P).
16 These Program Disclosures contain identical language at issue as Notes and Riders in this case. In
17 addition to the multi-state versions, the Program Disclosures has a state-specific version for New
18 York. I have reviewed the New York state-specific versions of the Program Disclosures. The state-
19 specific versions are nearly identical to the multi-state Program Disclosure versions. The language
20 in the Program Disclosures at issue in this case is identical for each New York state-specific version
21 and multi-state versions of each Program Disclosure. The Program Disclosures also have up to four
22 control dates. I have reviewed all control date versions for each Program Disclosure. The control
23 date versions are virtually identical, if not identical, to one another. The language in the Program
24 Disclosures at issue in this case is identical for each control date version of the Program Disclosure.

25 21. Attached hereto as Exhibit Q is a true and correct copy of Chapter 14.0 of
26 Countrywide's Seller's Guide.

22. Attached hereto as Exhibit R is a true and correct copy of the email between Linda Kelly of Countrywide and document preparation companies, including DocMagic, dated October 17, 2005.

23. Attached hereto as Exhibit S is a true and correct copy of a Countrywide document entitled "Document Review Process."

24. Attached hereto as Exhibit T is a true and correct copy of an email between Linda Kelly of Countrywide and Laura Mondoux, dated August 7, 2006.

25. Attached hereto as Exhibit U is a true and correct copy of a Countrywide Seller's Guide Bulletin, dated December 2004.

26. Attached hereto as Exhibit V are true and correct copies of the Pay Option ARM Loan Note, Rider, Truth-In-Lending Disclosure, and Program Disclosure for Jay J. Ralston.

27. Attached hereto as Exhibit W is a true and correct copy of the Expert Report of Professor Alan M. White.

28. Attached hereto as Exhibit X is a true and correct copy of an excel spreadsheet Countrywide produced in native format and bates labelled CHL057179.

29. Attached hereto as Exhibit Y is a true and correct copy of excerpts from the Countrywide's Sapphire Database Users Guide.

30. Attached hereto as Exhibit Z is a true and correct copy of a complete list of the fields identified in an excel spreadsheet that Countrywide produced in native format, bates labelled CHL055780, and represented is a data extraction from Countrywide's GEMS data processing system. This list includes the fields which were a part of Countrywide's Sapphire Database.

31. Attached hereto as Exhibit AA is a true and correct copy of a data sampling from excel spreadsheets that Countrywide produced in native format and bates labelled CHL114741, CHL114743, and CHL114743. Countrywide represented that it extracted the data in these excel spreadsheets from its Sapphire Database. A complete print-out of the data contained in all three spreadsheets would consists of approximately 30,000 pages and approximately 168,920 separate loan entries. Thus, Plaintiff has limited this Exhibit to a sample of the data, capturing all the data fields.

32. [REDACTED]

[REDACTED] *See Id.*, at CHL000830.

I have reviewed the entries in all of the Sapphire database spreadsheets produced. The spreadsheet lists in the “SellerName” field, as the exemplar marked Exhibit AA demonstrates, at least 1,200 approved “Sellers” or Correspondent Lenders, who sold the Pay Option ARM Loans to Countrywide during the liability period. *See Exhibit AA*, Column C.

I have also reviewed the entries in the “Loan Program Name” field, which consists of a list of loan programs that Countrywide offered. The entries in this field reflect that Countrywide offered Pay Option ARM Loan programs with two introductory, or “teaser” interest rate periods: the Pay Option ARM Loan with the “1-Month Introductory Period” and the Pay Option ARM Loan with the “3-Month Introductory Period.” *See Exhibit AA*, Column H. An analysis of the entries in Column H show that that the 1-Month Introductory Period Pay Option ARM Loan programs constitute at least 91.7% of Pay Option ARM Loans Countrywide purchased through its Correspondent Lending Division. Under this same analysis, I discerned that the 3-Month Introductory Period Loan constitutes approximately 0.60% of Pay Option ARM Loans Countrywide purchased through its Correspondent Lending Division.

I have reviewed the entries in the “Loan Form” field and determined that 98.9% of the entries identified Countrywide Notes as the form used contain the loan form numbers the Countrywide Notes form numbers identified in Exhibit I (4270, 4271, 5310, 5311, 5312). [REDACTED]

33. A review of the non-Countrywide Option ARM Loan Note types identified in the Sapphire Database demonstrate that these Notes are virtually identical to the Countrywide Notes in every way and contain the same material omissions complained of in this lawsuit.

34. Attached hereto as Exhibit BB are true and correct copies of samples of non-Countrywide note forms from the Sapphire Database of the non-CHL Option ARM Notes.

35. Attached hereto as Exhibit CC are true and correct copies of the Expert Report of Leonard H. Lyons Regarding Plaintiff's Motion for Class Certification and Addendum to Expert Report of Leonard Lyons.

36. Attached hereto as Exhibit DD are true and correct copies of letters from Countrywide to Correspondent Lenders.

37. I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on May 20, 2011 at San Francisco, California.

Dated: May 20, 2011

/s/ Jessica Moy_____
Jessica Moy

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*Attorneys for Plaintiff and the Proposed
Classes*

CERTIFICATE OF SERVICE

I hereby certify that on, I electronically filed the foregoing document and exhibits thereto with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: May 20, 2011

Respectfully submitted,

/s/ Jennie Lee Anderson
Jennie Lee Anderson

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